

4

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re ) Jointly Administered  
Coram Healthcare Corp. ) Case Nos. 00-3299 (MFW)  
and Coram, Inc., ) and 00-3300 (MFW)  
Debtors. ) Chapter 11

The deposition of L. PETER SMITH, called  
for examination, taken pursuant to the Federal  
Rules of Civil Procedure of the United States  
Bankruptcy Courts pertaining to the taking of  
depositions, taken before JULIANA F. ZAJICEK, CSR  
No. 84-2604, a Notary Public within and for the  
County of Kane, State of Illinois, and a Certified  
Shorthand Reporter of said state, at Suite 4000,  
10 South Wacker Drive, Chicago, Illinois, on the  
24th day of September, A.D. 2001, at 2:08 p.m.

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CrowleyAdmin006844

06:41 PM

1

A. It must have been spring of 2001.

06:41 PM

2

Q. Did you ever attempt to contact him

06:41 PM

3

after you learned about his payments of \$80,000 a

06:41 PM

4

month to Mr. Crowley?

06:41 PM

5

A. No.

06:41 PM

6

MR. CUNNINGHAM: Objection.

7

BY MR. LEVY:

06:41 PM

8

Q. Did you ever suggest to Crowley he

06:41 PM

9

ought to stop taking \$80,000 a month from Cerberus

06:41 PM

10

as long as he continued as CEO?

06:41 PM

11

A. No.

06:41 PM

12

Q. Did anybody, to your knowledge?

06:41 PM

13

A. I don't know.

06:42 PM

14

Q. Did you ever ask Mr. Crowley what he

06:42 PM

15

does for Cerberus for that \$80,000 a month?

06:42 PM

16

A. I never asked him. He did explain to

06:42 PM

17

the board that he evaluates companies and

06:42 PM

18

investments and so on, but it was not a detailed

06:42 PM

19

explanation, no.

06:42 PM

20

Q. When did he make that explanation to

06:42 PM

21

you?

06:42 PM

22

A. Sometime in the early part of the

06:42 PM

23

new -- of the year 2001 once this all came to

06:42 PM

24

light.

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CrowleyAdmin007015

  
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2 ) SS:  
3 COUNTY OF K A N E )

4 I, JULIANA F. ZAJICEK, a Notary Public  
5 within and for the County of Kane, State of  
6 Illinois, and a Certified Shorthand Reporter of  
7 said state, do hereby certify:

8 That previous to the commencement of the  
9 examination of the witness herein, the witness was  
10 duly sworn to testify the whole truth concerning  
11 the matters herein;

12 That the foregoing deposition transcript  
13 was reported stenographically by me, was  
14 thereafter reduced to typewriting under my  
15 personal direction and constitutes a true record  
16 of the testimony given and the proceedings had;

17 That the said deposition was taken before  
18 me at the time and place specified;

19 That I am not a relative or employee or  
20 attorney or counsel, nor a relative or employee of  
21 such attorney or counsel for any of the parties  
22 hereto, nor interested directly or indirectly in  
23 the outcome of this action.

24 IN WITNESS WHEREOF, I do hereunto set my

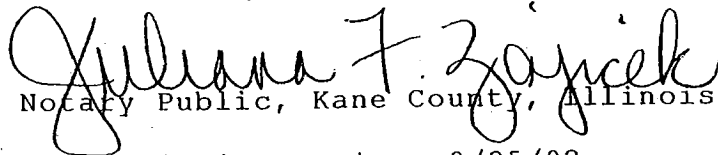
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1 hand and affix my seal of office at Chicago,  
2 Illinois, this 10th day of October, 2001.  
3

4   
5 Notary Public, Kane County, Illinois.  
6

My commission expires 8/25/02.



7  
8 C.S.R. Certificate No. 84-  
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CrowleyAdmin007058

1  
2 UNITED STATES BANKRUPTCY COURT  
3 DISTRICT OF DELAWARE  
4

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5 In Re )  
6 Coram Healthcare Corp. )  
7 and Coram, Inc., )  
8 Debtors, )  
9 )  
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25 )

Chapter 11 Case Nos.  
00-3299 (MFW) through  
00-3300 (MFW)

Deposition of  
WILLIAM CASEY  
Friday, September 28, 2001

Reported by:  
CARRIE STOTTEMEYER, RPR, CM, CRR  
CSR No. 4373  
Job No. 79613

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1 Q Did you personally -- other than what Goldin  
2 did, did you personally make any effort to find out  
3 whether Mr. Crowley had done anything wrong?

4 MR. HARWOOD: Object to the form.

5 THE WITNESS: Mr. Crowley has been our CEO for  
6 a medium amount of time and he's done an excellent job  
7 for the company.

8 MR. LEVY: Would you read the question again?

9 I think he didn't answer my question. Perhaps you could  
10 listen, sir, try and answer my question.

11 MR. HARWOOD: Perhaps if you'd listen to the  
12 answer, you might see that it is responsive.

13 (Record read.)

14 THE WITNESS: "Done anything wrong"?

15 BY MR. LEVY:

16 Q Would you answer the question again?

17 A I don't understand "done anything wrong." He  
18 hasn't done anything wrong.

19 Q Did you make any effort to find out, you  
20 personally, whether he had done anything wrong?

21 MR. HARWOOD: Object to the form. In what  
22 context? Vague and ambiguous.

23 THE WITNESS: I guess I don't know what I would  
24 have done or what I'm doing to see if he's done  
25 anything. He hasn't done anything wrong. He's managed

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1 the company brilliantly, he's done an excellent job that  
2 we hired him for.

3 BY MR. LEVY:

4 Q Did you personally make any investigation to  
5 determine whether he had done anything wrong?

6 MR. HARWOOD: Object to the form, vague and  
7 ambiguous.

8 THE WITNESS: I didn't investigate Dan Crowley,  
9 no.

10 BY MR. LEVY:

11 Q Thank you. Let's move along. It says "Had a  
12 plan." What does it say then?

13 A Excuse me?

14 MR. CUNNINGHAM: Mr. Levy said "Had a plan" and  
15 then he said --

16 BY MR. LEVY:

17 Q Do you see where it says "Two. Had a plan"?

18 A Yeah, "Had a plan."

19 Q What does it say then?

20 A Says "180."

21 Q And then?

22 MR. CUNNINGHAM: You've got to answer audibly,  
23 you can't just gesture.

24 THE WITNESS: I don't know.

25 BY MR. LEVY:

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1 BY MR. LEVY:

2 Q Whatever "investigation" means to you,

3 Mr. Casey. You're smart.

4 MR. HARWOOD: Object to the form.

5 THE WITNESS: I didn't call the police, I

6 didn't call the FBI.

7 BY MR. LEVY:

8 Q Did you call Mr. Crowley and say -- and ask  
9 him?

10 A I talked to Mr. Crowley frequently, yes.

11 Q Did you call Mr. Crowley and ask him about how  
12 much he was making -- how much he was being paid,  
13 rather, by Cerberus?

14 MR. HARWOOD: Object to the form.

15 THE WITNESS: No.

16 BY MR. LEVY:

17 Q Ever?

18 A He told me.

19 MR. HARWOOD: Object to the form.

20 BY MR. LEVY:

21 Q Excuse me?

22 A I didn't have to call and ask him. He told me.

23 Q When did he tell you?

24 A After it became an issue.

25 Q When it -- it became an issue, I take it, on

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1 December 21st when the judge refused to confirm the  
2 plan?

3 MR. HARWOOD: Object to the form.

4 BY MR. LEVY:

5 Q How much after December 21st did Mr. Crowley  
6 tell you how much he was given?

7 A I guess I don't understand. How much later?

8 Q Yes. How much later?

9 A Shortly thereafter. Within hours, days. I  
10 don't know.

11 Q And tell me who was present in this  
12 conversation you had with Crowley.

13 A It could have been he and I, it could have been  
14 he and I and other members of the board.

15 Q Do you have any recollection?

16 A As I say, we meet and confer --

17 Q Do you have any recollection?

18 MR. HARWOOD: Objection. Let the witness  
19 answer the question.

20 THE WITNESS: I don't know the first time he  
21 told me.

22 BY MR. LEVY:

23 Q Could it have been as long as six months later?

24 A I don't believe so.

25 Q Were you surprised at the amount?

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1 MR. CUNNINGHAM: Objection.  
2 THE WITNESS: What amount?  
3 BY MR. LEVY:  
4 Q The amount of money that Cerberus was paying  
5 Crowley.  
6 A It's a very substantial amount.  
7 Q How much was it? Do you recall?  
8 A 80,000 a month.  
9 Q Did you ask Crowley what he was doing for that  
10 80,000 a month?  
11 A I believe he told us what he was doing.  
12 Q What did he tell you?  
13 A He has a company in Sacramento, and he provides  
14 healthcare consulting to Cerberus when they have issues  
15 in the healthcare sector of their business.  
16 Q Did he tell you how much time he was spending  
17 for that 80,000 a month?  
18 A I knew that he was spending full-time on Coram,  
19 so I wasn't real interested in how much time he was  
20 spending on that.  
21 Q Because it was pretty clear to you if he was  
22 spending full-time on Coram, couldn't have been spending  
23 any time on that, correct?  
24 MR. HARWOOD: Object to the form.  
25 THE WITNESS: Well, as an attorney, I'm sure

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1 could have simply added that interest to the note  
2 without using cash?

3 A Yes.

4 Q Are you aware that Mr. Goldin's report  
5 concludes that that was an imprudent thing to do?

6 MR. HARWOOD: Object to the form.

7 THE WITNESS: Mr. Goldin said that in a  
8 bankruptcy situation it's very prudent to -- and I think  
9 the term he used was "husband your cash," okay, and I  
10 don't disagree with what he said. That's not true --

11 BY MR. LEVY:

12 Q Keep going.

13 A In this particular instance, he felt it would  
14 be -- since we would be renegotiating a DIP line of  
15 credit, debtor in possession line of credit, that it  
16 would be to our advantage to enter this situation in as  
17 favorable a light as we could; therefore, we made the  
18 payment.

19 Q You approved the payment as a director?

20 A I don't remember approving it specifically, but  
21 we did review what happened and we did concur.

22 Q Isn't it a fact that the Goldin report says it  
23 was an imprudent thing to do?

24 MR. HARWOOD: Object to the form.

25 THE WITNESS: I believe I just answered that.

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1 imprudent?

2 MR. HARWOOD: Object to the form.

3 MR. CUNNINGHAM: I'd note that there's an  
4 extended discussion elsewhere in the report.

5 MR. HARWOOD: Exactly.

6 THE WITNESS: There is an extended discussion  
7 elsewhere in the report, and as I said before, it's a  
8 judgment call. Mr. Goldman (sic) does in fact say what  
9 he said. My feeling as a manager, as a board member is  
10 that what we did is we made that payment to maintain our  
11 relationship with the debt because we were going to have  
12 to negotiate new lines of credit and we felt it was  
13 prudent to do it. There's a disagreement. I believe  
14 that he's entitled to his and we're entitled to ours.

15 BY MR. LEVY:

16 Q Generally speaking, did you find yourself  
17 relying on Goldin and the Goldin report?

18 MR. CUNNINGHAM: Objection.

19 THE WITNESS: I don't understand the question.

20 BY MR. LEVY:

21 Q Did the directors of Coram rely on the Goldin  
22 report in making their decision to file the second  
23 amended plan?

24 A As it states in the second amended plan, the  
25 special committee of the board endorsed the Goldin plan.

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 2 :ss  
 3 COUNTY OF SACRAMENTO )

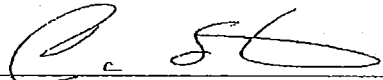
4 I, the undersigned, a Certified Shorthand Reporter  
 5 of the State of California, do hereby certify:

6 That the foregoing proceedings were taken before me  
 7 at the time and place herein set forth; that any  
 8 witnesses in the foregoing proceedings, prior to  
 9 testifying, were placed under oath; that a verbatim  
 10 record of the proceedings was made by me using machine  
 11 shorthand which was thereafter transcribed under my  
 12 direction; further, that the foregoing is an accurate  
 13 transcription thereof.

14 I further certify that I am neither financially  
 15 interested in the action nor a relative or employee of  
 16 any attorney of the parties.

17 IN WITNESS WHEREOF, I have this date subscribed my  
 18 name.

19  
 20 Dated: Oct. 1, 2001

21  
 22   
 23 CARRIE STOTTEMEYER, RMR, CRR  
 24 CSR No. 4373  
 25

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UNITED STATES BANKRUPTCY COURT

DISTRICT OF DELAWARE

In Re )  
Coram Healthcare Corp. )  
and Coram, Inc., )  
Debtors, )  
\_\_\_\_\_ )

CERTIFIED COPY

Chapter 11 Case Nos.  
00-3299 (MFW) through  
00-3300 (MFW)

Deposition of

SANDRA R. SMOLEY

Saturday, September 29, 2001

Reported by:  
CARRIE STOTTLEMEYER, RPR, CM, CRR  
CSR No. 4373  
Job No. 79663



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CrowleyAdmin007348

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1 really agree with that portion of her decision.

2 Q Well, when did you become aware for the first  
3 time that Dan Crowley was being paid by Cerberus?

4 A You know, I'm trying to think of that, and I  
5 really don't remember, but I do know -- I don't recall  
6 the timing of that.

7 Q Was it before or after the December 21st  
8 opinion?

9 A You know, I don't recall the sequence of how  
10 that came down. I don't recall which came first.

11 Q Did they come in close sequence to each other?

12 A Yes, yes, yes.

13 Q Within a few days?

14 A Maybe a month, but I just can't --

15 Q Are you saying it's possible as early as, say,  
16 Thanksgiving of the year 2000 you knew that Dan Crowley  
17 was being paid separately by Cerberus?

18 A I just can't say with -- specifically. I mean  
19 I just can't say.

20 Q How did you learn it?

21 A How'd I learn?

22 Q That Crowley was being paid by Cerberus.

23 A I think it came up in a board meeting, and we  
24 asked questions of Dan, and he was very forthcoming,  
25 didn't hide anything at all.

52

1 to pay Crowley is set forth in a written agreement or is  
2 it just oral?

3 A I don't know that.

4 Q So I take it you have never seen the written  
5 agreement between Cerberus and Crowley pursuant to which  
6 he gets 80,000 a month?

7 A No.

8 Q You've never asked to see it?

9 A No, because it was outside of Coram, he was  
10 doing a great job for our company. I didn't care what  
11 he was doing outside.

12 Q Do you think he might have done better for  
13 Coram if there had been no conflict?

14 A Oh, I don't think there is a conflict, I told  
15 you I disagreed with that portion of the judge's  
16 decision, but all I saw was Dan Crowley performing in an  
17 exemplary manner doing great things for the company,  
18 holding the company afloat, and we as a board were  
19 extremely pleased with his -- what he was doing for the  
20 company.

21 Q Did you consider the fact that he might have  
22 done better if he hadn't been receiving this money from  
23 a note holder?

24 A Well, in my mind, I don't see how he could have  
25 done any better. We were very pleased in all aspects of

54



1 praise for what he's done, and the Goldin report showed  
2 that also.

3 Q The Goldin report just said he breached his  
4 fiduciary duty. Are you aware of that?

5 MR. HARWOOD: Objection.

6 MR. CUNNINGHAM: Objection.

7 MR. LEVY: Withdraw it.

8 BY MR. LEVY:

9 Q Are you aware of the fact that the Goldin  
10 report said he breached his fiduciary duty?

11 MR. HARWOOD: Object to the form.

12 MR. CUNNINGHAM: You can answer.

13 THE WITNESS: Yes.

14 BY MR. LEVY:

15 Q Thank you. Going on with Judge Walrath's  
16 opinion, you can read it to yourself, but read the next  
17 paragraph from lines four to 11.

18 A Okay.

19 Q What's your reaction to that?

20 A I don't agree with that because in my opinion  
21 Mr. Crowley was very forthcoming, did not try to hide  
22 the relationship. When we asked him, he was very candid  
23 and open about his relationship with Cerberus, so I  
24 don't agree with that.

25 Q Apart from -- well, strike that, please.

56

1 Did you ever ask Crowley whether he intended to  
2 hide the relationship?

3 A I don't believe that I asked him in those  
4 terms, no, but it was my feeling he did not because he  
5 was very forthcoming.

6 Q Did you ever ask Mr. Feinberg why he was paying  
7 him 80,000 dollars a month?

8 A No. That was outside of Coram.

9 Q Did you think the fact that Mr. Feinberg's  
10 company was owed hundreds of millions of dollars by  
11 Coram coupled with the fact that Mr. Feinberg's company  
12 was paying Dan Crowley 80,000, million bucks a year  
13 almost, presented an apparent conflict of interest?

14 MR. HARWOOD: Object to the form.

15 THE WITNESS: No.

16 BY MR. LEVY:

17 Q You're familiar, of course, with Coram's  
18 written policies on conflict of interest?

19 A Yes, I'm aware of those.

20 Q And do you feel that there was any violation by  
21 Crowley of those policies?

22 A No, I do not.

23 Q Do you think they apply to him?

24 A They apply to all of us.

25 Q Do you know what services Mr. Crowley was

CH-11 TRUSTEE/  
CrowleyAdmin007404

57.

1 BY MR. LEVY:

2 Q Did you take that into account?

3 MR. HARWOOD: Objection.

4 THE WITNESS: I told you that I had a basic  
5 disagreement with the judge's decision. I accepted the  
6 judge's decision. I did not agree with it in that.

7 BY MR. LEVY:

8 Q Therefore is it fair to say you did not take  
9 into account, perhaps because you didn't agree with it,  
10 the judge's conclusion that Crowley's ability to serve  
11 as CEO of Coram was tainted? And I'm referring to line  
12 ten on page 89.

13 MR. HARWOOD: Object to the form.

14 THE WITNESS: I did not agree with that.

15 BY MR. LEVY:

16 Q I know you didn't agree with it, but did you  
17 take it into consideration in determining whether you  
18 would permit this man who the judge said is tainted to  
19 continue to be CEO?

20 MR. HARWOOD: Object to the form.

21 THE WITNESS: We, because of how he was  
22 performing as CEO, felt that he was in fact able to  
23 continue running the company.

24 BY MR. LEVY:

25 Q Did you ask Crowley to end the conflict by

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CrowleyAdmin007420

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1 refusing to take anything further from Cerberus?

2 A We did not.

3 Q Did you consider doing that?

4 A No.

5 Q Did you consider hiring an outside person who  
6 could come in during the interim until you got the  
7 Goldin report and kind of look over Crowley's shoulder  
8 or his day-to-day decisions to be sure the company was  
9 protected against a man who the judge said was tainted  
10 in his ability to serve as CEO of the debtor?

11 MR. HARWOOD: Object to the form.

12 THE WITNESS: We did not.

13 (Recess taken.)

14 MR. LEVY: We're now going to mark as Smoley  
15 Exhibit 4 the final version of the Coram's First Amended  
16 Second Joint Disclosure Statement in the form that  
17 Mr. Harwood advises me was actually sent to all the  
18 creditors and the stockholders within the last few days,  
19 and it includes a copy of the Goldin report beginning at  
20 an unnumbered page.

21 MR. HARWOOD: It's an appendix.

22 BY MR. LEVY:

23 Q It's an appendix and we'll have to look at  
24 that. So you want to mark that?

25 (Exhibit No. 4 was marked.)

CH-11 TRUSTEE/  
CrowleyAdmin007421

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1 STATE OF CALIFORNIA )  
 :ss  
 2 COUNTY OF SACRAMENTO )


3  
 4 I, the undersigned, a Certified Shorthand Reporter  
 5 of the State of California, do hereby certify:

6 That the foregoing proceedings were taken before me  
 7 at the time and place herein set forth; that any  
 8 witnesses in the foregoing proceedings, prior to  
 9 testifying, were placed under oath; that a verbatim  
 10 record of the proceedings was made by me using machine  
 11 shorthand which was thereafter transcribed under my  
 12 direction; further, that the foregoing is an accurate  
 13 transcription thereof.

14 I further certify that I am neither financially  
 15 interested in the action nor a relative or employee of  
 16 any attorney of the parties.

17 IN WITNESS WHEREOF, I have this date subscribed my  
 18 name.

19  
 20 Dated: Oct. 2, 2001

21  
 22   
 23 CARRIE STOTTEMEYER, RMR, CRR  
 24 CSR No. 4373

25  
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 CrowleyAdmin007447

100

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

**COPY**

-----X

In re,	) Chapter 11
CORAM HEALTHCARE CORP.	) Case Nos.
and CORAM, INC.,	) 00-3299 through
	) 00-3300 (MFW)
Debtors,	) Jointly Admin.

-----X

DEPOSITION OF HARRISON JAY GOLDIN

New York, New York

Thursday, October 4, 2001

  
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David Henry  
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Fax 212.557.5972

1 Goldin

2 revenues. They had had extensive opportunity  
3 to observe him in his performance of his  
4 duties as CEO.

5 Q. And that, to your knowledge, is the  
6 extent of the investigation they did?

7 A. I am not aware that the independent  
8 directors conducted a full investigation of  
9 the kind and nature of the investigation that  
10 was conducted by Goldin Associates.

11 Q. Do you know whether the independent  
12 directors after learning of the conflict took  
13 any steps to guard against the potential for  
14 abuse that the conflict posed?

15 MR. BENTLEY: Objection to form.

16 MR. HARWOOD: Objection.

17 A. Again, Mr. Levy, the independent  
18 directors expressed to me during the  
19 interviews that we conducted with them in  
20 connection with our investigation that gave  
21 rise to our report and then in conversations  
22 that I held with the independent directors in  
23 the aftermath of the issuance of our interim  
24 report, that they held Mr. Crowley in very  
25 high regard on the basis of the record of his

1 Goldin  
2 performance as CEO. As one of the directors  
3 put it, as I recollect, getting somebody of  
4 Dan Crowley's caliber was the equivalent of  
5 St. Francis High School getting Wilt  
6 Chamberlain on its basketball team. That  
7 formulation captured well the general and  
8 overall enthusiasm of the independent  
9 directors for Mr. Crowley's achievements and  
10 performance as CEO.

11 Q. Did you perform any investigation  
12 to determine whether those independent  
13 directors had a sufficient basis for coming to  
14 the conclusions they did?

15 A. During the course of our  
16 investigation, we examined carefully the  
17 company's performance over the relevant time  
18 frame and reported in some detail on the  
19 company's performance in various respects  
20 during the period covered by our  
21 investigation.

22 Q. My question to you was whether, did  
23 your investigation include a determination of  
24 whether the independent directors had a  
25 sufficient basis for their conclusions, not



1

2

C E R T I F I C A T E

3

STATE OF NEW YORK )

4

: ss.

5

COUNTY OF NEW YORK )

6

7

I, David Henry, a Notary Public

8

within and for the State of New York, do

9

hereby certify:

10

That HARRISON J. GOLDIN, the witness

11

whose deposition is hereinbefore set forth,

12

was duly sworn by me and that such

13

deposition is a true record of the testimony

14

given by the witness.

15

I further certify that I am not

16

related to any of the parties to this action

17

by blood or marriage, and that I am in no

18

way interested in the outcome of this

19

matter.

20

IN WITNESS WHEREOF, I have hereunto

21

set my hand this 8th day of October, 2001.

22

23

24

25



David Henry

UNITED STATES BANKRUPTCY COURT

DISTRICT OF DELAWARE

In Re	)	
	)	
Coram Healthcare Corp.	)	
	)	
and Coram, Inc.,	)	
	)	
Debtors,	)	Chapter 11 Case Nos.
	)	00-3299 (MFW) through
	)	00-3300 (MFW)
	)	
	)	

CERTIFIED COPY

Deposition of

DANIEL D. CROWLEY

Thursday, October 25, 2001

Reported by:  
CARRIE STOTTLEMEYER, RPR, CM, CRR  
CSR No. 4373  
Job No. 80965

  
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1 of interest and it's an actual conflict of interest."

2 A Be speculative on my part as to what the judge  
3 is thinking. Are you wishing me to speculate?

4 Q That's a good answer. Have you ever discussed  
5 with anyone what she meant when she said that there was  
6 an actual conflict of interest?

7 MR. FELDMAN: You can answer that for anyone  
8 other than your lawyers.

9 BY MR. LEVY:

10 Q Well, no. If you discussed it with your  
11 lawyer, you can tell me you discussed it with your  
12 lawyer. I'm not going to ask what was discussed, okay.

13 MR. FELDMAN: You can answer it yes or no.

14 THE WITNESS: Yes.

15 BY MR. LEVY:

16 Q Have you ever discussed that with anyone other  
17 than your lawyer?

18 A No.

19 Q Have you ever discussed that with any member of  
20 the board of directors of Coram?

21 MR. FELDMAN: The meaning of those words?

22 BY MR. LEVY:

23 Q The meaning of those words.

24 A No.

25 Q Have you ever discussed with any member of the

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12

1 board of directors of Coram the question of whether your  
2 relationship with Cerberus was an actual conflict of  
3 interest?

4 A Would you ask that again?

5 MR. FELDMAN: I'm sorry, I'm getting  
6 distracted. I don't mean to be difficult, but all the  
7 movement and the stuff -- if we need to break for you to  
8 hook up your gear, I'm happy to do that, but it's hard  
9 to focus when there's a lot of mechanical stuff going  
10 on.

11 MR. LEVY: Let's hold it a second.

12 (Recess taken.)

13 MR. LEVY: Why don't you read the last question  
14 then.

15 (Record read.)

16 THE WITNESS: Yes.

17 BY MR. LEVY:

18 Q With which members of the board of directors of  
19 Coram have you discussed that?

20 A The full board.

21 Q When was the first time you had such a  
22 discussion?

23 A I don't recall the exact date.

24 Q Approximate date.

25 A Couple days after this. December 21st.

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13

1 Q And was that at a formal meeting of the board?

2 A I don't recall. I think so.

3 Q What did you say and what did the members of  
4 the board respond on that subject to the best of your  
5 recollection? Just give me the substance.

6 A That I had run the company for the company  
7 very, very well and that I believe that I saved the  
8 company from rather certain extinction and that I had  
9 earned the respect in the company outside the company  
10 from every conceivable constituency and that I had  
11 complete respect for the judge's decision and understood  
12 how she may have been uncomfortable by the relationship  
13 between Cerberus and myself but that my duties for  
14 Cerberus and my relationship with Cerberus had nothing  
15 to do with Coram and that I was disappointed in the  
16 outcome, that I believed that the board members knew of  
17 my relationship with Cerberus, and I discussed again  
18 that I was being paid 80,000 dollars a month to provide  
19 services to Cerberus, that would continue, and that the  
20 duties at Cerberus had no impact on my activities at  
21 Coram and that there was no conflict in that Cerberus  
22 had never asked me to do anything at Coram; that's the  
23 substance of it, and the board's substance in response  
24 was that their feeling was I had conducted myself above  
25 and beyond, that I had never acted other than in Coram's

14

1 best interests and that they and I wished that I had  
2 simply given them my contract and disclosed the amount  
3 of pay with Cerberus because it would have provided  
4 Judge Walrath with ostensibly more comfort.

5 Q Anything else you recall from that meeting?

6 A No.

7 Q Now you said, I believe, at the beginning of  
8 that answer that you had earned the respect of every  
9 conceivable constituency; is that right? I don't recall  
10 those exact words, but it's in the transcript. In  
11 substance?

12 A Yes.

13 Q Do you believe you earned the respect of the  
14 equity holders as a result of your conduct?

15 MR. FELDMAN: Mischaracterizes the testimony.

16 BY MR. LEVY:

17 Q Do you believe that the equity holders are a  
18 constituency?

19 A Yes.

20 Q Do you believe you earned their respect?

21 A I believe that the equity holders respect the  
22 work that I did and have done at Coram and the results  
23 that I have achieved at Coram and are disappointed that  
24 Coram's insolvent, and I believe they respect the work.

25 Q What is the basis of your belief that they

15

REPORTER'S CERTIFICATE

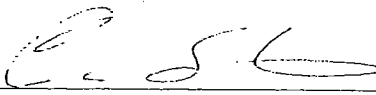
I certify that the witness in the foregoing deposition,

DANIEL D. CROWLEY,

was by me duly sworn to testify in the within-entitled cause; that said deposition was taken at the time and place therein named; that the testimony of said witness was reported by me, a duly Certified Shorthand Reporter of the State of California authorized to administer oaths and affirmations, and said testimony was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for either or any of the parties to said deposition nor in any way interested in the outcome of the cause named in said deposition.

IN WITNESS WHEREOF, I have hereunto set my hand this 3 day of 3, 2001.

  
CARRIE STOTTEMEYER  
Certified Shorthand Reporter  
Certificate No. 4373

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UNITED STATES BANKRUPTCY COURT

DISTRICT OF DELAWARE

In Re

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Debtors.

)  
)  
) Chapter 11 Case Nos.  
) 00-3299 (MFW) through  
) 00-3300 (MFW)  
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)  
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DEPOSITION OF DON AMARAL

Palo Alto, California

Friday, October 26, 2001

Reported by:  
RACHEL FERRIER  
CSR No. 6948  
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